

JUDGE SPRIZZO

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

JOSEPH OWUSU,  
a/k/a "Joseph Frimpong,"

Defendant.

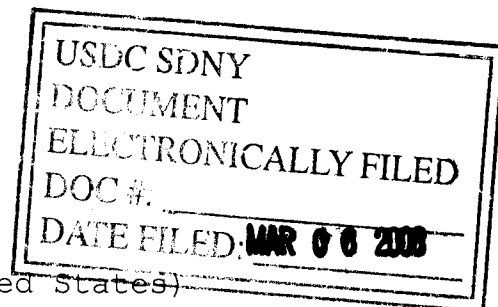
08 CRIM 191  
INFORMATION

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COUNT ONE

(False Claims Against the United States)

The United States Attorney charges:

Background

1. At all times relevant to this Information:

(a) Individual taxpayers were and are required to file, with the Internal Revenue Service of the United States Department of the Treasury (the "IRS"), United States Individual Income Tax Returns, Forms 1040, also known as "long-form" individual tax returns, or Forms 1040A, also known as "short-form" tax returns, to report their annual income, and to request a tax refund if one is due to them.

(b) After filing their tax returns, taxpayers whose income is below a certain level may be entitled to a refundable tax credit, also known as an "Earned Income Tax Credit" ("EITC"). The maximum credit is due to individuals whose income is between approximately \$10,000 and \$15,000, and who claim at least two "dependent exemptions" for dependent individuals as defined under

the EITC rules. To claim a dependent exemption, a taxpayer must provide the dependent's identification information, including name, date of birth, and Social Security Number ("SSN"). Taxpayers who are not entitled to an EITC refund, due to the amount of their income, may be eligible for child tax credits if they claim dependents on their tax returns.

(c) Taxpayers who claim dependents may be qualified for a Head of Household ("HOH") filing status and certain tax benefits such as EITC, dependent exemptions, and child tax credits. A lower tax rate is applied to HOH taxpayers than to others who use the filing status of Single or Married Filing Separately. To qualify for the HOH status, a taxpayer must be unmarried or "considered unmarried" on the last day of the tax year and must have provided more than 50% of the support for at least one dependent. Taxpayers who use HOH filing status are predominantly single-parent households or taxpayers who are supporting an elderly parent.

(d) Schedule A ("Itemized Deductions"), an IRS form that is attached to a tax return when applicable, must be used by taxpayers to document certain permissible deductions from taxable income to which the taxpayers claim entitlement. Deductions reported on Schedule A include, among other things: medical and dental expenses, gifts to charity, and job-related and other miscellaneous expenses.

2. At times from at least in or about 1997, up to and

including on or about March 23, 2007, JOSEPH OWUSU, a/k/a "Joseph Owusu Frimpong," the defendant, was a tax preparer and the sole proprietor of a tax preparation service, known as Pierson Commercial Enterprise, located at 490 Claremont Parkway, Bronx, New York.

3. During the time period charged in the Information, JOSEPH OWUSU, a/k/a "Joseph Owusu Frimpong," the defendant, prepared false and fraudulent income tax returns, which he typically filed electronically with the IRS from his business in the Bronx, and which typically were processed in Andover, Massachusetts. The returns filed with the IRS were false and fraudulent in at least the following ways:

(a) OWUSU obtained identity information of numerous individuals, without the knowledge or consent of those individuals, for the purpose of using that identity information to file false and fraudulent income tax returns and obtain tax refund checks. Specifically, OWUSU supplied false and fictitious "dependent" information on the tax returns he filed with the IRS. OWUSU created tax returns on behalf of taxpayers on which he, among other things, listed "dependents" for the taxpayers; however, the purported dependents were not bona fide dependents in that they were not in fact related to or genuine dependents of the taxpayers. Based on the false "dependent" information, OWUSU claimed entitlement (on behalf of the taxpayers) to EITC or (for example,

when the taxpayer earned too much money), to child tax credits when, in truth and in fact, the taxpayers were entitled to no such credit. Based on these false claims of entitlement to EITC or child tax credits, large refunds were falsely claimed on such tax returns.

(b) In addition to supplying fictitious "dependents" on tax returns filed with the IRS, OWUSU also routinely overstated taxpayers' itemized deductions, particularly the cash charitable contributions and un-reimbursed job expenses. The false itemized deductions, particularly in conjunction with the fictitious dependents, served to falsely understate the tax liabilities on the returns and thereby allowed the taxpayers to claim higher income tax refunds from the IRS.

(c) OWUSU also falsely claimed HOH status on tax returns he filed on behalf of certain taxpayers. OWUSU did this by, for example, preparing, on behalf of a married couple, two separate tax returns on which both husband and wife claimed HOH status on their respective returns as if the couple were unmarried.

#### Statutory Allegations

4. From in or about January 2005 through on or about March 23, 2007, in the Southern District of New York and elsewhere, JOSEPH OWUSU, a/k/a "Joseph Owusu Frimpong," the defendant, unlawfully, willfully and knowingly did make and present to a person and officer in the civil service of the United States, and

to a department and agency thereof, claims upon and against the United States, and a department and agency thereof, knowing such claims to be false, fictitious, and fraudulent, to wit, OWUSU filed or caused to be filed with the Internal Revenue Service of the United States Department of the Treasury, United States Individual Income Tax Returns, Forms 1040 and 1040A, containing information that was false, fictitious, and fraudulent, as set forth above.

(Title 18, United States Code, Sections 287 and 2.)

COUNT TWO

(Subscribing to False and Fraudulent Income Tax Returns)

The United States Attorney further charges:

5. The allegations in paragraphs 1 thorough 3 of this Information are repeated and realleged as though fully set forth herein.

6. On or about May 30, 2005, in the Southern District of New York and elsewhere, JOSEPH OWUSU, a/k/a "Joseph Owusu Frimpong," the defendant, unlawfully, willfully and knowingly did make and subscribe U.S. Individual Income Tax Returns, Forms 1040, and accompanying schedules, which contained and were verified by a written declaration made under the penalties of perjury, and which returns were knowingly false and fraudulent as to material matters, in that, among other things, for the 2004 tax year, OWUSU falsely filed as married filing jointly, whereas in fact he had filed another return separately for his wife (in

which he used a different SSN for his wife); and falsely provided fictitious W-2 statements for his wife; falsely listed fictitious dependents who were not in fact dependent on him in any way; and falsely claimed improper deductions for un-reimbursed job expenses.

(Title 26, United States Code, Section 7206(1).)

COUNT THREE

(Subscribing to False and Fraudulent Income Tax Returns)

The United States Attorney further charges:

7. The allegations in paragraphs 1 thorough 3 of this Information are repeated and realleged as though fully set forth herein.

8. On or about May 8, 2006, in the Southern District of New York and elsewhere, JOSEPH OWUSU, a/k/a "Joseph Owusu Frimpong," the defendant, unlawfully, willfully and knowingly did make and subscribe U.S. Individual Income Tax Returns, Forms 1040, and accompanying schedules, which contained and were verified by a written declaration made under the penalties of perjury, and which returns were knowingly false and fraudulent as to material matters, in that, among other things, for the 2005 tax year, OWUSU falsely filed as married filing jointly, whereas in fact he had filed another return separately for his wife (in which he used a different SSN for his wife); and falsely provided

fictitious W-2 statements for his wife; falsely listed fictitious dependents who were not in fact dependent on him in any way; and falsely claimed improper deductions for un-reimbursed job expenses.

(Title 26, United States Code, Section 7206(1).)

COUNTS FOUR THROUGH ELEVEN

(Aiding and Assisting Preparation of  
False and Fraudulent Income Tax Returns)

The United States Attorney further charges:

9. The allegations in paragraphs 1 through 3 of this Information are repeated and realleged as though fully set forth herein.

10. On or about the filing dates set forth below, in the Southern District of New York and elsewhere, JOSEPH OWUSU, a/k/a "Joseph Owusu Frimpong," the defendant, unlawfully, willfully and knowingly did aid and assist in, and procure, counsel and advise the preparation and presentation under, and in connection with matters arising under, the Internal Revenue laws, of U.S. Individual Income Tax Returns, Forms 1040, and accompanying schedules, for the taxpayers listed below, which returns were false and fraudulent as to material matters, in that, among other things, the returns fabricated or grossly overstated itemized deductions, particularly cash charitable contributions and un-

reimbursed job expenses; and/or falsely claimed Head of Household filing status, for the items set forth below:

COUNT	Approx. Filing Date	Taxpayer Listed	Material Matter (s)	Refund Claimed
FOUR	3/7/05	Taxpayer-1	Un-reimbursed job expenses	\$2,029
FIVE	3/20/06	Taxpayer-1	Un-reimbursed job expenses	\$2,399
SIX	3/5/07	Taxpayer-1	Un-reimbursed job expenses	\$2,803
SEVEN	3/7/05	Taxpayer-2	HOH status	\$4,218
EIGHT	2/27/06	Taxpayer-2	HOH status Un-reimbursed job expenses Cash contributions	\$3,707
NINE	3/5/07	Taxpayer-2	HOH status Job expenses	\$2,650
TEN	4/4/05	Taxpayer-3 and Taxpayer-4	Job expenses	\$8,009
ELEVEN	3/20/06	Taxpayer-4	HOH status Job expenses	\$4,987

(Title 26, United States Code, Section 7206(2), and Title 18, United States Code, Section 2.)



MICHAEL J. GARCIA

United States Attorney



Form No. USA-33s-274 (Ed. 9-25-58)

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(18 U.S.C. §§ 287, 2; 26 U.S.C.  
§ 7206(1) and (2).)

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MICHAEL J. GARCIA  
United States Attorney.

*Pld Feb & March at Ind*

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*3/8/08*

*AWA Danny Perry pres. Dist. Judge Amara  
pre w/ Judge (Judge Amara). Dist  
plead N/G to Ind Cont on 4/14  
before Judge Spencer T/E until 6/14*

*Mr. Judge Amara*